

IN THE UNITED STATES BANKRUPTCY COURT

FOR THE DISTRICT OF DELAWARE

In re:)	Chapter 11
)	
W.R. GRACE & CO., et al.¹)	Case No. 01-1139 (JKF)
)	Jointly Administered
)	Objection Deadline: March 16, 2004 at 4:00 p.m.
Debtors.)	Hearing Date: March 22, 2004 at 4:00 p.m.
)	

**QUARTERLY APPLICATION OF
BANKRUPTCY MANAGEMENT CORPORATION
FOR COMPENSATION FOR SERVICES RENDERED AND
REIMBURSEMENT OF EXPENSES AS CLAIMS RECONCILIATION
AND SOLICITATION CONSULTANT TO THE DEBTORS FOR THE
TENTH QUARTERLY INTERIM PERIOD (JULY 1, 2003 THROUGH SEPTEMBER 30, 2003)**

Name of Applicant:	Bankruptcy Management Corporation ("BMC")
Authorized to Provide Professional Services to:	The above-captioned debtors and debtors in possession.
Date of Retention:	Retention Order entered May 8, 2002; effective as of April 4, 2002
Period for which Compensation and Reimbursement is Sought:	July 1, 2003 through September 30, 2003
Amount of Compensation Sought as Actual, Reasonable and Necessary:	\$260,926.00
Amount of Expense Reimbursement Sought as Actual, Reasonable and Necessary:	\$ 7,915.22 (Expense Reimbursement) \$20,793.35 (Production Expenses)

¹ The Debtors consist of the following 62 entities: W.R. Grace & Co. (f/k/a Grace Specialty Chemicals, Inc.), W.R. Grace & Co.-Conn., A-1 Bit & Tool Co., Inc., Alewife Boston Ltd., Alewife Land Corporation, Amicon, Inc., CB Biomedical, Inc. (f/k/a Circe Biomedical, Inc.), CCHP, Inc., Coalgrace, Inc., Coalgrace II, Inc., Creative Food =N Fun Company, Darex Puerto Rico, Inc., Del Taco Restaurants, Inc., Dewey and Almy, LLC (f/k/a Dewey and Almy Company), Ecarg, Inc., Five Alewife Boston Ltd., G C Limited Partners I, Inc. (f/k/a Grace Cocoa Limited Partners I, Inc.), G C Management, Inc. (f/k/a Grace Cocoa Management, Inc.), GEC Management Corporation, GN Holdings, Inc., GPC Thomasville Corp., Gloucester New Communities Company, Inc., Grace A-B Inc., Grace A-B II Inc., Grace Chemical Company of Cuba, Grace Culinary Systems, Inc., Grace Drilling Company, Grace Energy Corporation, Grace Environmental, Inc., Grace Europe, Inc., Grace H-G Inc., Grace H-G II Inc., Grace Hotel Services Corporation, Grace International Holdings, Inc. (f/k/a Dearborn International Holdings, Inc.), Grace Offshore Company, Grace PAR Corporation, Grace Petroleum Libya Incorporated, Grace Tarpon Investors, Inc., Grace Ventures Corp., Grace Washington, Inc., W.R. Grace Capital Corporation, W.R. Grace Land Corporation, Gracoal, Inc., Gracoal II, Inc., Guanica-Caribe Land Development Corporation, Hanover Square Corporation, Homco International, Inc., Kootenai Development Company, L B Realty, Inc., Litigation Management, Inc. (f/k/a GHSC Holding, Inc.), Grace JVH, Inc., Asbestos Management, Inc.), Monolith Enterprises, Incorporated, Monroe Street, Inc., MRA Holdings Corp. (f/k/a Nestor-BNA Holdings Corporation), MRA Intermedco, Inc. (f/k/a Nestor-BNA, Inc.), MRA Staffing Systems, Inc. (f/k/a British Nursing Association, Inc.), Remedium Group, Inc. (f/k/a Environmental Liability Management, Inc.), E&C Liquidating Corp., Emerson & Cuming, Inc., Southern Oil, Resin & Fiberglass, Inc., Water Street Corporation, Axial Basin Ranch Company, CC Partners (f/k/a Cross Country Staffing), Hayden-Gulch West Coal Company, H-G Coal Company.

This is a: Monthly Application Quarterly Application Final Application

The total time expended for preparation of this fee application is approximately 27.0 hours and the corresponding compensation requested is approximately \$5,000.00.²

This Quarterly Application filed by BMC is for the 10th Quarterly Interim Period.

PRIOR APPLICATIONS

Date Filed	Period Covered	Requested Fees	Requested Expenses	Approved Fees	Approved Expenses
3/4/2003	4/4/2002-4/30/2002	\$18,913.50	\$1,420.00	\$15,130.80	\$1,420.00
3/4/2003	5/1/2002-5/31/2002	\$46,559.00	\$2,781.83	\$37,247.20	\$2,781.83
3/4/2003	6/1/2002-6/30/2002	\$42,162.00	\$3,538.24	\$33,729.60	\$3,538.24
3/4/2003	5th Quarterly 2002	\$107,634.50	\$7,740.07	\$86,107.60	\$7,740.07
3/4/2003	7/1/2002-7/31/2002	\$48,181.75	\$10,701.48	\$38,545.40	\$10,701.48
3/4/2003	8/1/2002-8/31/2002	\$48,729.50	\$1,891.32	\$38,983.60	\$1,891.32
3/4/2003	9/1/2002-9/30/2002	\$55,850.00	\$2,743.43	\$44,680.00	\$2,743.43
3/4/2003	6th Quarterly 2002	\$152,761.25	\$15,336.23	\$122,209.00	\$15,336.23
3/4/2003	10/1/2002-10/31/2002	\$95,621.50	\$3,384.85	\$76,497.20	\$3,384.85
3/4/2003	11/1/2002-11/30/2002	\$49,215.25	\$2,658.68	\$39,372.20	\$2,658.68
3/4/2003	12/1/2002-12/31/2002	\$46,683.00	\$850.00	\$37,346.40	\$850.00
3/4/2003	7 th Quarterly 2002	\$191,519.75	\$6,893.53	\$153,215.80	\$6,893.53
5/15/03	1/1/2003-1/31/2003	\$74,318.00	\$1,229.90	\$59,454.40	\$1,229.90
5/15/03	2/1/2003-2/28/2003	\$82,610.00	\$4,837.69	\$66,088.00	\$4,837.69
5/15/03	3/1/2003-3/31/2003	\$72,572.25	\$3,860.72	\$58,057.80	\$3,860.72
5/15/03	8 th Quarterly 2003	\$229,500.25	\$9,928.31	\$183,600.20	\$9,928.31
9/23/03	4/1/2003-4/30/2003	\$117,598.00	\$2,132.50	\$94,078.40	\$2,132.50
9/23/03	5/1/2003-5/31/2003	\$140,988.00	\$5,112.93	\$112,790.40	\$4,689.22
9/23/03	6/1/2003-6/30/2003	\$95,449.00	\$8,234.67	\$76,359.20	\$8,234.67
9/23/03	9 th Quarterly 2003	\$354,035.00	\$15,801.10	\$283,228.00	\$15,480.10
2/17/2004	7/1/2003-7/31/2003	\$90,293.50	\$9,851.36	Pending	Pending
2/17/2004	8/1/2003-8/31/2003	\$88,262.50	\$2,515.87	Pending	Pending
2/17/2004	9/1/2003-9/30/2003	\$82,370.00	\$16,341.34	Pending	Pending
2/17/2004	10 th Quarterly 2003	\$260,926.00	\$28,708.57	Pending	Pending

² The actual number of hours expended in preparing this fee application and the corresponding compensation requested will be set forth in BMC's subsequent fee applications.

BIOGRAPHICAL INFORMATION

Name of Professional Person	Position with Applicant; Number of Years In Position, Prior Relevant Experience, Licenses and Year Obtained, Area of Expertise	Hourly Billing Rate (Including Changes)	Total Hours Billed	Total Compensation
Julia Hasenzahl	Principal, 3 years; former Assistant Director and National Manager-Shared Services Functions, Ernst & Young LLP	\$275.00	41.9	\$11,522.50
Trevor L. Allen	Technology Manager, 4 years; 15 years technology, systems support and management	\$175.00	1.3	\$227.50
Martha Araki	Senior Bankruptcy Consultant, 4 years; 17 years bankruptcy experience	\$210.00	96.2	\$20,202.00
Roy Baez	Case Support Clerk, 4 years	\$65.00	0.1	\$6.50
Brendan Bosack	Senior Data Consultant, 3 years; former application project manager for a claims agent; 7 years prior experience in bankruptcy data, application development and reporting	\$175.00	1.1	\$192.50
Leah Buley	Data Consultant, 2 years; 5 years prior experience web development	\$125.00	4.3	\$537.50
Susan Burnett	Consultant, 8 months; 3 years prior experience as an attorney, 20 years prior accounting and finance experience	\$150.00	500.4	\$75,060.00
Susan Burnett	Travel Time	\$75.00	34.0	\$2,550.00
Trina Carter	Case Information Clerk, 1-1/2 years	\$45.00	1.0	\$45.00
Steffanie Cohen	Reconciliation Consultant, 1 year; 2 years prior bankruptcy experience	\$110.00	17.2	\$1,892.00
Diane George	Data Consultant, 3 years; 2 years prior bankruptcy experience	\$140.00	16.1	\$2,254.00
Mike Grimmett	Data Consultant, 6 months; 12 years prior experience bankruptcy and data programming	\$175.00	188.5	\$32,987.50
Yvette Hassman	Case Support Associate, 6 months; 3 years prior bankruptcy case support experience	\$90.00	8.7	\$783.00
Steven Heathcock	Data Consultant, 2 years; former Consultant, Adept Consulting LLC; 15 years prior experience as Systems Engineer	\$150.00	2.0	\$300.00
Sue Herrschaft	Senior Consultant, 1 year; former Operations Manager, Audit Division, Arthur Andersen-LA; 10 years prior experience in risk management and quality assurance	\$210.00	512.0	\$107,520.00
Myrtle John	Senior Bankruptcy Consultant, 2 years; 25 years experience in bankruptcy and other legal practice areas	\$195.00	3.9	\$760.50
James Myers	Case Support Clerk, 3 years	\$65.00	0.9	\$58.50
Lisa Ruppaner	Case Support Associate, 1 year	\$95.00	29.5	\$2,802.50
Andrea Schrepfer	Case Information Services Lead, 2 years; 7 years prior experience as Manager of Call Center of major class action and bankruptcy firm	\$90.00	0.4	\$36.00
Brianna Tate	Case Information Clerk, 6 months	\$45.00	0.8	\$36.00
Heather Walker	Case Information Clerk, 1 year	\$65.00	0.3	\$19.50

Anna Wick	Data Consultant, 1 year	\$110.00	10.3	\$1,133.00
Grand Total:		Fees: \$ 260,926.00	Hours: 1,470.9	
Blended Rate:		\$177.39		

COMPENSATION BY PROJECT CATEGORY

Project Category	Total Hours	Total Fees
Asbestos Claims	274.1	\$48,789.00
Case Administration	412.2	\$81,517.00
Data Analysis	64.7	\$10,221.00
Fee Applications-Applicant	100.1	\$20,899.00
Non-Asbestos Claims	585.8	\$96,950.00
Travel – Non Working	34.0	\$2,550.00
Total	1,470.9	\$260,926.00

EXPENSE SUMMARY

Expense Category	Service Provider (If Applicable)	Total Expenses
b-Linx/Data Storage	BMC	\$2,550.00
Document Storage	BMC	1,218.00
Airline	Various	1,429.98
Breakfast	Various	29.83
Dinner	Various	235.73
Gas	Various	21.08
Lodging	Various	1,080.88
Misc	Various	500.00
Parking	Various	96.00
Postage/Shipping	Various	396.26
Rental Vehicle	Various	336.71
Taxi	Various	.80
Telecopier/Faxes	BMC	12.75
Total		\$7,915.22

PRODUCTION EXPENSE SUMMARY

Date of Mailing	Service Provider (If Applicable)	Total Expenses
July 21, 2003	BMC	\$4,601.28
July 25, 2003	BMC	131.26
August 6, 2003	BMC	1,016.17
September 22, 2003	BMC	15,044.64
Total		\$20,793.35

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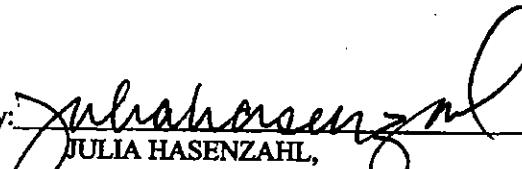
WHEREFORE, BMC respectfully requests:

- (a) that an allowance be made to it in the aggregate of \$237,449.37, which is comprised of:
 - (i) 80% of the fees rendered by BMC to the Debtors for reasonable and necessary professional services during the Fee Period (80% of \$260,926.00 = \$208,740.80); and
 - (ii) 100% of the actual and necessary costs and expenses incurred by BMC during the Fee Period (\$28,708.57);
- (b) that both the fees and expenses are payable as an administrative expense of the Debtors' estates; and
- (c) for such other and further relief as the Court deems just and proper.

Dated: February 13, 2004

BANKRUPTCY MANAGEMENT CORPORATION

By:


JULIA HASENZAHL,
Chief Operating Officer
6096 Upland Terrace South
Seattle, Washington 98118
Telephone: (206) 725-5405
Telecopier: (206) 374-2727

Claims Reconciliation and Solicitation Consultant
to the Debtors and Debtors in Possession

VERIFICATION

STATE OF CALIFORNIA

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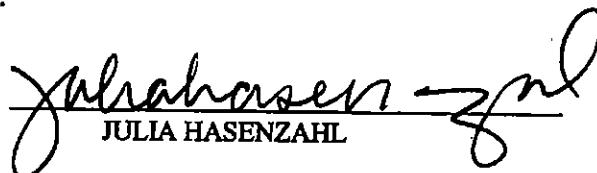
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COUNTY OF LOS ANGELES

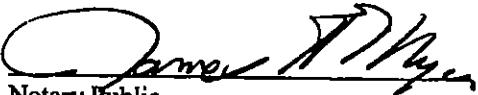
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JULIA HASENZAHL, after being duly sworn, deposes and says:

1. I am the Chief Operating Officer of Bankruptcy Management Corporation, the applicant herein ("BMC"), the Claims Reconciliation and Solicitation Consultant to the debtors and debtors in possession herein (the "Debtors"). Except as otherwise noted, I have personal knowledge of the matters set forth herein.
2. I have personally reviewed the consulting services rendered by BMC as Claims Reconciliation and Solicitation Consultant to the Debtors and am thoroughly familiar with the other work performed on behalf of the Debtors by other consultants and employees of BMC.
3. I have reviewed the foregoing Application and the facts set forth therein are true and correct to the best of my knowledge, information and belief. Annexed hereto are the following Exhibits: Exhibit 1 – Consolidated Fee Invoice for the Tenth Quarter comprised of a detail of time expended and Professional Activity Summary; and Exhibit 2 – Monthly Expense Invoices for the Tenth Quarter comprised of (i) an Expense Invoice and Detail for each month and (ii) a Production Invoice and Detail. Moreover, I have reviewed the Local Bankruptcy Rules for the District of Delaware and the 'Amended Administrative Order Under 11 U.S.C. §§105(a) and 331 Establishing Revised Procedures for Interim Compensation and Reimbursement of Expenses for Professionals and Official Committee Members,' signed April 17, 2002, and submit that the Application herein substantially complies with such Rules and Order.


JULIA HASENZAHL

SWORN AND SUBSCRIBED to before me
this 13th day of Feb, 2004


Notary Public
My Commission Expires:

